

## **DOH Funding Allocations: Committee Restructuring Recommendation**

At the beginning of this year the Finance Committee restated their interests and principles regarding public health system funding allocations.

- Funding allocations never seem to change over time, or to reflect actual conditions.
- There is little confidence in the allocation system and little understanding of the formulas used to distribute funding from state DOH to local health jurisdictions (LHJs).
- Distribution formulas are neither regularly updated nor communicated.
- The concept of "do no harm" (in which by changing allocations, the amount of funding a jurisdiction receives might decrease) does not work, and should be challenged.
- Scarce resources may not be most effectively distributed using past methods.

To gain a better understanding of current practices, DOH staff conducted an extensive survey internal to DOH of fund sources and the methods used to distribute them. The survey listed funding by federal or state source, and the stated method of funding distribution. What the committee learned after reviewing the information was:

- Funding with no strings attached is a rare exception. Almost all funds had a dedicated purpose or purposes.
- There were many more advisory committees than initially realized (over 20).
  - Some fund sources mandate an advisory committee, or specific representation on the committee.
  - Most have no role in funding allocation.
  - Committees' strength is involvement in service delivery.
  - Many have representation by community providers, beyond just local health jurisdictions.
- The entire communication process needs to be more open to increase understanding about the purpose and role of advisory committees, increase awareness about the way funding is distributed now, and propose potential changes to distribution formulas.
- State managers' view of how funds are distributed and local administrators' perceptions of how funds are distributed are very different.
- There is a need for broader local involvement in the process, including LHJs and community partners.

At the June 28 meeting, DOH proposed, and the Finance Committee refined and adapted a proposed future course of action:

- That the number of committees be reduced, to one per Public Health Standard, so far as funding regulations allow.
- Establish a pilot project using a single standard to develop the single committee concept. The Committee chose Promotion/Prevention as the standard to be used for the pilot project.
- That advisory committees should:
  - Have broader membership to integrate financial and service delivery planning.
  - Adopt practices that include more frequent communication.
  - Financial planning should include the role of the state.
  - Push to eliminate the concept of "do no harm" as a limiting factor in funds allocation.
  - Include representatives who are able to work and speak for the whole system.
- Allocation of resources should focus on the system, not on the individual units making up the system.
- Knowledge gained from the pilot should eventually be expanded to the universe of funding distributed to local partners by DOH.
- Though the full implementation may be a multi-year process, there must be steady progress toward changing funding allocations to be more systematic, creditable, and improve communication.

The Finance Committee made a decision to form a work team, or subcommittee to write the "road map" or scope of work for the transition from many advisory groups with no financial oversight to one advisory group per standard. The road map would include: a timetable for restructured Committees' work, the tasks and instructions to the group, ideas about staffing and Committee support, the composition and roles of representatives on the group, how work will be evaluated and updated, and how communication will work to and from the Committee.

The subgroup volunteers who will work on this are: Vicki Kirkpatrick, Rick Mockler, Larry Jecha, and Nancy Ellison (replaced by Lois Speelman). The group will select 3 DOH program staff to round out the work group, with a scheduled date of the November Finance Committee meeting to complete a draft transition plan. The work team needs to be willing to read and develop a good understanding of the many areas where grants exist now. In November, the plan will be reviewed and approved by the Finance Committee, and a recommendation will be sent to the PHIP Steering Committee for inclusion in the 2002 PHIP report.